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International Business: Environments and Operations, 15e (Daniels et al.)

Chapter 16 The Organization of International Business

Multiple choice: select one best answer according to the textbook:

1) Johnson & Johnson distributes decision-making power among departments and divisions. This policy provides managers with a sense of ownership and control at the company. Johnson & Johnson is best described as a _____ organization.

- A) vertical
- B) centralized
- C) horizontal
- D) decentralized

3) Historically, managers built organizations by focusing on the boxes and lines of a(n) _____ structure.

- A) formal
- B) innovative
- C) collaborative
- D) flexible

16) At Tyson Manufacturing, departments and units are organized around discrete business activities, such as finance, production, marketing, and human resources. Tyson most likely has a _____ structure.

- A) network
- B) matrix
- C) functional
- D) divisional

18) Functional structures for international operations are most likely found among those companies that _____.

- A) have a narrow range of products that rely on economies of scale
- B) have multiple products that share few common technologies
- C) rely on differentiated marketing methods
- D) compete in unstable industries

20) A major benefit of the international division structure is _____.

- A) outsourcing distribution and shipping tasks
- B) responding quickly to foreign events
- C) diversifying most product groups
- D) hiring low-cost, local workers

23) Chapman Enterprises is an MNE that markets a diverse portfolio of products including jewelry, luggage, and furniture. Which structure would most likely be used by Chapman?

- A) international division
- B) functional division
- C) geographic division
- D) product division

- 27) Which of the following factors increasingly encourages MNEs to install a geographic division structure?
- A) growth of emerging markets
 - B) diversification of products
 - C) rise of social networking
 - D) global recession
- 29) The fundamental limitation of a matrix structure is that it _____.
- A) creates a poor organizational culture
 - B) isolates upper management from operational levels
 - C) institutes a dual hierarchy that violates the unity-of-command principle
 - D) introduces more errors in the decision-making process due to the speed of the process
- 30) In reality, the organizational charts of _____ MNEs neatly depict a functional, divisional, or matrix structure.
- A) no
 - B) few
 - C) most
 - D) all
- 39) A Japanese keiretsu is best described as a _____.
- A) family business
 - B) product division
 - C) network structure
 - D) centralized control system
- 46) Patrons of McDonald's can enter the restaurant located in any part of the world and expect to see employees wearing the same uniforms and menus offering the same products. McDonald's most likely uses which system of coordination?
- A) standardization
 - B) consensus
 - C) plan
 - D) adaptation
- 50) Falcon Enterprises is an MNE that uses price competition and relative market share to establish internal performance benchmarks and standards. The firm is most likely applying a system of _____.
- A) bureaucratic control
 - B) market control
 - C) standardization control
 - D) clan control
- 51) Martin Manufacturing is an MNE that centralizes authority to implement an extensive set of rules and procedures to govern a broad range of activities. Martin Manufacturing is most likely applying a system of _____.
- A) market control
 - B) adjustment control
 - C) bureaucratic control
 - D) clan control

52) Grover Enterprises is an MNE that relies on shared values among all employees to idealize the preferred behaviors and identify performance measures within the company. Grover is most likely applying a system of _____.

- A) market control
- B) bureaucratic control
- C) planning control
- D) clan control

53) Formal reports, management performance evaluations, and financial metrics are three examples of _____.

- A) coordinating tools
- B) coordinating systems
- C) control systems
- D) control mechanisms

57) _____ is a system of shared values about what is important and beliefs about how the world works among the employees of an organization.

- A) Organizational system
- B) Organizational structure
- C) Organizational culture
- D) Organizational vision

58) Which of the following is most likely a true statement about organization culture?

- A) Many organizations use a robust organization culture to create consistently high performance.
- B) Fewer and fewer companies allow an organization's culture to emerge naturally.
- C) Typically, managers from different countries have values similar to those endorsed by the company.
- D) Divergent values among managers and employees ease the exchange of ideas between people from different countries.

SHORT ANSWER:

91) How might centralization of decision making adversely affect local managers in an MNE? the organization to push for international expansion.